2: DESCRIPTIONS OF AGRICULTURAL PRESERVATION TOOLS FOR FARMERS

RURAL RESIDENTIAL CLUSTERING

This type of clustering provides an alternative to conventional subdivisions with uniform lot sizes. Rural residential clusters employ flexible lot sizes and sometimes a density bonus to build a subdivision on a small portion of a parcel, while permanently preserving remaining agricultural function or open space use. For example, rather than building 100 one-acre lots on a parcel, 100 quarter-acre or smaller lots could be clustered onto 25% of the parcel instead. The remaining 75 acres could be permanently preserved with a conservation easement (likely involving a land trust), enabling existing agricultural uses to continue, or enabling agricultural land to be leased or sold to a new farmer. This option is best employed where larger acreages exist, so preserved open space is large enough to be viable for continued farming or ranching. Rural residential clustering plans should include clear policies for long-term open space management and maintenance. In the same way, several owners could cooperate and build on a portion of one of the properties by transferring the density from the other properties. Again, this option requires an ordinance to promote clustering, whether completed on a single parcel or cooperatively across multiple parcels. It is an incentive-based means of retaining agriculture because the owner has the ability to derive significant financial gain, and the infrastructure costs of a clustered development are generally less than in a conventional subdivision. Clustering usually involves a single landowner on an individual property, making it simpler than transferring development rights (discussed on the next page) to other properties.

Rural residential clusters have two significant hurdles:

1. A community must have a willingness to prioritize the preservation of agricultural activity over lot size, possibly coupled with more flexible housing choices.
2. Creating assurances that the agriculture continues as usable cultivated land poses some difficult issues—long term leases, community based organizations that exist to maintain an orchard, owner incentives to stay on the property, and others need to be carefully considered to assure the program meets its objectives. Maintenance needs to be addressed. Land trusts are particularly helpful in setting up long-term maintenance and stewardship plans.

TRANSFER OF DEVELOPMENT RIGHTS (TDR)

In a TDR system, development rights are voluntarily sold and transferred to another property, where increased development is desired. Rather than employing a public funding source, a developer purchases development rights from a farmer for use elsewhere. In most cases, a conservation easement is placed on the land from which the development rights were purchased, permanently precluding future development and ensuring long-term agricultural or other open space use. A nonprofit entity usually works with a landowner on the conservation easement to develop appropriate long-term use and maintenance agreements for the preserved land.

A local jurisdiction creates an ordinance governing the new property right. An ordinance designates sending areas (lands from which development rights may be purchased) and receiving areas (lands in which development rights may be received). It may also include a guidance and/or a market-based analysis that governs the transfer process. This analysis asks such questions as: *What is a developer willing to pay to get more density on their project? What does a property owner need, financially, to voluntarily give up future development rights and continue to farm?* The local government sets up the program and keeps track of transactions, but the transactions are private. In Santaquin, sending areas are likely high-value orchards and farmland, and receiving areas could be the downtown and areas near the south interchange.

TDR has several significant hurdles. The ordinance work is not that difficult, but the decisions leading up to that ordinance can be controversial:

1. Farmers may have unrealistic visions for what their property is worth. Technically the property value is governed by the zoning that encompasses the property but also by the potential shown in the general plan. The issue of a farmer's willingness to relinquish his/her future development rights is often quite a hurdle.
2. It is also difficult to determine what a developer might be willing to pay to buy an additional unit for a development. Often this is not a one-to-one transaction. To entice a developer to buy additional units (development rights from a farmer), a community might need to allow for additional units beyond what is purchased from the farmer to be built at the developer's site. A ratio of one unit from a farmer to two, three or more units for the developer to add to a project is relatively common in TDR systems. In addition, if a community is willing to allow a developer to build without purchasing development rights from a farmer, the incentive to use the program is very low.
3. Although there may be relative agreement on what a community wants to preserve or retain, there often is no agreement on where additional density can be accommodated. Establishing the receiving areas can be a major hurdle.
4. To assure good development in the receiving area, a city's design ordinances need to yield attractive, desirable development. A poorly designed and below average appearance for a project in a receiving area can doom a program.

PURCHASE OF DEVELOPMENT RIGHTS (PDR)

When PDR is employed, development rights, generally based on the property's zoning designation and/or the general plan potential, are purchased from a property and retired, meaning they no longer exist. In most cases, a conservation easement is placed on the land from which the development rights are purchased, permanently precluding future development and ensuring long-term agricultural or other open space use. PDR is not a zoning ordinance type of program; it is a separate effort, a community sponsored program that purchases development rights off high-priority orchards and farmland. PDR is a voluntary option for landowners, and it usually requires a public funding mechanism, likely a tax or bond paired with other funding sources, to supply needed resources to purchase development rights. A land trust usually works with a landowner on the transaction to develop appropriate long-term use and maintenance agreements for the preserved land. Park City uses this technique extensively.

PDR has several significant hurdles:

1. Gathering sufficient dollars to actually purchase development rights is challenging. Most communities start with a public approved bond to jump start the effort and attract other funding sources. Raising taxes to back a bonding initiative is often a controversial aspect of this program.
2. Staffing with a knowledgeable person or creating an arrangement with a land trust takes considerable effort.
3. Seeking other funding sources such as grants, crowd sourcing efforts, or soliciting charitable donations, is a significant undertaking.